

ENSURING THE SUCCESS OF OUR WORKFORCE AND STATE



MINNESOTA

# **DISLOCATED WORKER PROGRAM**

STATE FISCAL YEAR 2014 **ANNUAL REPORT**

# MINNESOTA DISLOCATED WORKER PROGRAM — OVERVIEW

## FUNDING AND EXPENSES

Over the course of SFY 2014 (July 1, 2013 — June 30, 2014), the Minnesota Dislocated Worker (DW) program expended \$24,352,148.45 (Table 1), resulting in the fifth consecutive year of decreasing expenditures. The Minnesota DW program continues to be significantly larger than the state's Workforce Investment Act funded DW Program (WIA DW), both in terms of customers served and funding; SFY 2014 WIA DW expenditures were \$10,658,135.

MINNESOTA DISLOCATED WORKER PROGRAM				
The Costs and the Benefits				
During SFY 2013, program operators and DEED staff spent	<b>\$24,352,148</b>	<b>TO SERVE</b>	<b>10,783 PARTICIPANTS</b>	WE SPENT <b>\$2,258</b> PER PARTICIPANT
<b>5,653</b> exited the program with <b>4,869</b> entering unsubsidized employment: <b>86.1</b> percent.				
On average, Minnesota Dislocated Worker program providers spend <b>\$5,001</b> per job attained				

## ENROLLMENT

In SFY 2014, the Minnesota DW program served more than 10,700 customers, more than double the amount served by our federally funded DW program (4,540 customers served). Although the Minnesota DW program is returning to pre-recession rates of service, there is a growing reliance by customers on the Minnesota DW program in comparison to WIA DW in SFY 2014 (Figure 1). This growing reliance on the Minnesota DW for services comes at a time when customers are spending less time in the state's DW program than in previous years. In SFY 2014, an average Minnesota DW customer spent just over 500 days in the program, down from an average of about 555 days in SFY 2013.

CUSTOMERS SERVED		
Program	Customers Served	Program Funding Expended
MN DW	10,783	\$24,352,158
WIA DW	4,540	\$10,658,135
NEG*	654	\$2,024,211
<b>Total</b>	<b>14,974</b>	<b>\$37,034,504</b>

Due to co-enrollment in programs, the total unique count of customers will not equal the sum of customers served in each funding stream.

\*NEG = National Emergency Grant

## MAJOR EVENTS

In SFY 2014, Minnesota's economy strengthened, growing jobs and enabling businesses to thrive. Minnesota's unemployment rate (seasonally adjusted) fell from 5.1 percent in July 2013 to 4.5 percent in June 2014.<sup>1</sup> As of December 2014 (the most recent month's data available as of this writing), the unemployment rate had fallen further to 3.6 percent. Minnesota's businesses are hiring, and Minnesota's workers are securing employment and providing for themselves and their families. Over SFY 2014, Minnesota also saw fewer mass layoffs (traditionally defined as an event where 50 or more workers lose employment through no fault of their own). Even the largest layoffs affected fewer workers than corresponding layoffs in previous years, with the top 10 mass layoff events affecting fewer than 3,000 workers, as compared to more than 3,270 two years earlier.

# MINNESOTA **DISLOCATED WORKER PROGRAM —** **OVERVIEW**

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## WHO WE ARE AND WHAT WE DO

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Working together with Unemployment Insurance (UI), the DW program supports workers who have lost their jobs. Through career counseling, job search assistance, training, and support services, program staff work to ensure Minnesota's workers are able to secure permanent jobs in high-demand occupations. The program benefits:

- Workers as they reintegrate into the workforce;
- Employers who benefit from a skilled, competitive workforce; and
- Citizens in Minnesota who benefit from a stable economy.

### CUSTOMERS

The DW program serves Minnesotans who have lost their job through no fault of their own (i.e. they neither quit nor were fired). In addition to these individuals, the following groups are eligible for DW program services in Minnesota:

- Self-employed individuals who lose their jobs due to economic conditions;
- Veterans leaving active duty with the armed forces; and
- Certain individuals leaving active duty of the National Guard or armed forces reserves.

To be eligible for the DW program, an individual typically must qualify for UI. The DW program excludes temporary or seasonal workers, however, who make up a large portion of UI recipients.

### SERVICES

The DW program provides a wide variety of support services, which can be classified into four categories:

1. **Career Planning and Counseling:** Professionally trained and experienced counselors help customers assess skills, develop career paths, and set job goals.
2. **Job Search and Placement Services:** Counselor and program staff provide job search tools (i.e. MinnesotaWorks.net), networking clubs, and workshops on everything from resume building to interview skills.
3. **Job Training:** Counselors and program staff help customers use funding proactively to develop occupational skills training, on-the-job training, entrepreneurial support, adult basic education, and other types of training.
4. **Financial Support Services:** The DW program has the ability to support its customers through tough financial times by assisting with transportation costs, family care costs, health care costs, or other emergency aid workers may need to reach their employment goals.

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<sup>1</sup>Local Area Unemployment Statistics. Department of Employment and Economic Development. State of Minnesota. <https://apps.deed.state.mn.us/lmi/laus/Results.aspx?geog=2701000000&adjusted=0&periodtype=03&resultset=3&startyear=2005&endyear=2014>

# MINNESOTA DISLOCATED WORKER PROGRAM — OVERVIEW

## HOW WE DO IT

### PROGRAM PROCESSES AND STRUCTURE

Minnesota is unusual in having its own, state-funded DW program. Most states only have a federally funded DW program, as established by the Workforce Investment Act (WIA) of 1998. Although these programs work side by side and are virtually indistinguishable in the eyes of the customer, our state DW program allows services to be available to many more job seekers than what the federally funded DW program can provide alone. The structure of the state DW program, therefore, purposefully mirrors the structure of the federal DW program to deliver services more efficiently and to serve more Minnesotans.

The DW program provides services through a network of 48 WorkForce Centers in Minnesota, housing hundreds of DW program counselors. These counselors meet with customers and provide core services as well as coordinate training.

In the DW program, Minnesota is divided into 16 WorkForce Service Areas (WSAs), each of which is governed by a Workforce Investment Board (WIB). WIBs allow for local input and control over the administration and tailoring of the DW program. Directors of each WSA establish policies for their WorkForce Centers as well as coordinate with the central DW program staff in St. Paul. As Minnesota is home to diverse economic areas, local considerations are essential in delivering effective services.

In addition to the 16 WSAs, there are nine independent service providers:

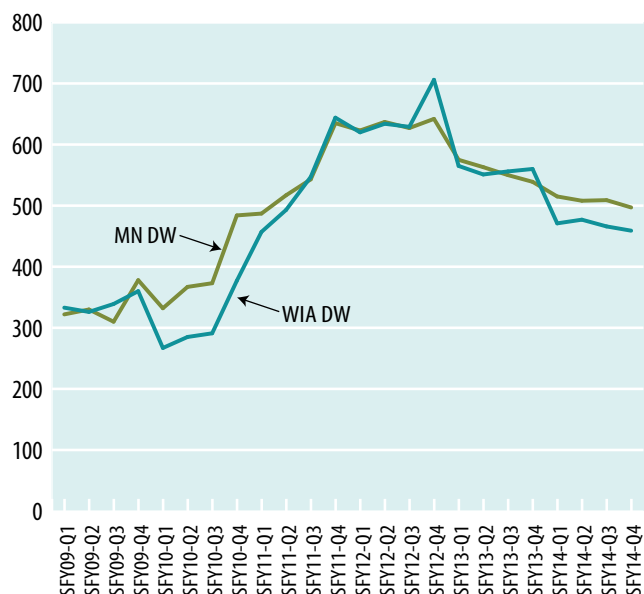
- Arrowhead Economic Opportunity Agency;
- Career Management Services;
- Goodwill/Easter Seals;
- HIRED;
- Jewish Family & Children's Service of Minnesota;
- Lutheran Social Services;
- Quality Career Services;
- RESOURCE Employment Action Center (EAC), Inc, and
- Teamsters Service Bureau.

Compared to last year, the statewide cost per customer served rose slightly (from \$1,950 in SFY 2013 to \$2,147 in SFY 2014), but the cost per customer who became employed declined by more than 20 percent (from \$5,127 to \$3,959).

### LAYOFFS, LARGE AND SMALL

Given that the size of a layoff impacts how best to reintegrate individuals back into the workforce, the DW program responds differently to small and large layoffs.

AVERAGE NUMBER OF DAYS IN  
DISLOCATED WORKER PROGRAM  
SFY 2009-SFY 2014





# MINNESOTA **DISLOCATED WORKER PROGRAM —** **OVERVIEW**

## SMALL LAYOFFS

A dislocated worker who is part of a small layoff (fewer than 50 people) selects a WorkForce Center or independent service provider. The dislocated worker then meets with a DW program counselor and is guided on a path to employment. Over the past year, the Minnesota DW program has increased support to independent grantees who serve customers affected by small layoffs. With new Small Layoff Independent Grants, providers compete for serving those impacted by small layoffs. With a tiered funding structure that rewards high performance in targeted areas, the DW program is better able to reward outstanding service to customers.

## LARGE LAYOFFS

A dislocated worker who is part of a large layoff (more than 50 people in fewer than 30 days) will often enter the DW program through a project. Projects begin when the workers form an internal Selection and Planning Committee. Committee

members interview bidding providers and evaluate them based on past performance, thus creating competition among service providers. After the committee chooses a single provider for the entire group of workers affected by the layoff, it works with the provider to outline specific services required by the group. This way, the service provider can tailor services to meet the unique needs of the workers impacted by a specific layoff.

## RAPID RESPONSE

Minnesota's Rapid Response Team is the first responder to large layoffs, ensuring a quick initiation of essential services. The Rapid Response Team finds out about layoffs, coordinates with businesses, and lets customers know about our program.

Rapid responders find out about upcoming layoffs from a variety of sources, including the employer, the workers themselves, suppliers to the business, and the media. Although the federal Worker Adjustment Retraining Notification (WARN) Act requires employers to notify the state of a "large" layoff (over 50 individuals in a 30-day period), many businesses will notify the DW program even if their layoff affects fewer than 50 workers. This communication increases the effectiveness of Minnesota's DW program, and the Rapid Response Team works hard to develop strong relationships among Minnesota's employers.

Upon notification, rapid responders meet with the employer to discuss the size, scope, and timing of the upcoming layoffs. Rapid Response first looks for ways to avoid a layoff. If a layoff moves forward, rapid responders inform all relevant stakeholders and schedule orientation meetings with workers. In these meetings, rapid responders provide information about UI benefits and services offered by the DW program.

### TOP 10 MASS LAYOFF EVENTS SFY 2014

Company	Employees Laid off
Rainbow Foods	435
DAL Global Services	404
Target HQ	398
Moneygram	376
Wells Fargo Home Mortgage	335
Quad Graphics	280
Ottobock Health Care	184
Pioneer Press printing plant closing	182
Lender Processing Service	180
Cargill	169
Total Employees Laid Off	2,943

# MINNESOTA **DISLOCATED WORKER PROGRAM — PERFORMANCE**

STATE DISLOCATED WORKER PROGRAM									
	Funding Expended	Exited	Served	Employed exiter / Total exiters	=	Entered Employment Rate	Standard	Employed exiters who kept job / Employed exiters	=
<b>State</b>	***\$24,352,158.45	5,489	10,783	4,869 / 5,653	=	86.1%	85.0%	4,476 / 4,838	=
<b>Anoka County</b>	\$911,387.00	255	488	334 / 362	=	92.3%	85.0%	305 / 327	=
<b>Career Management Services (CMS)</b>	\$1,409,893.62	343	648	361 / 445	=	81.1%	85.0%	361 / 383	=
<b>Central MN Jobs and Training</b>	\$2,584,978.00	337	686	289 / 318	=	90.9%	85.0%	302 / 318	=
<b>City of Duluth</b>	\$256,149.13	51	122	31 / 33	=	93.9%	85.0%	21 / 21	=
<b>Dakota/Scott Workforce Services</b>	\$1,270,832.00	456	863	420 / 522	=	80.5%	85.0%	358 / 388	=
<b>Employment Action Center at RESOURCE, Inc.</b>	\$476,227.66	133	364	135 / 153	=	88.2%	85.0%	98 / 109	=
<b>Hennepin/ Carver ETC</b>	\$2,189,361.60	747	1,510	750 / 873	=	82.6%	85.0%	683 / 756	=
<b>HIRED</b>	\$260,556.52	157	265	200 / 251	=	79.7%	85.0%	229 / 224	=
<b>MN Teamsters Service Bureau</b>	\$1,722,890.99	510	1,072	392 / 435	=	90.1%	85.0%	240 / 252	=
<b>Mpls Employment and Training</b>	\$917,328.00	209	370	207 / 226	=	91.6%	85.0%	153 / 168	=
<b>NE MN Office of Job Training</b>	\$1,172,413.07	116	344	87 / 95	=	91.6%	85.0%	72 / 77	=
<b>Northwest PIC Inc</b>	\$195,639.14	26	42	92 / 104	=	88.5%	85.0%	152 / 165	=
<b>Quality Career Services</b>	\$1,021,400.00	469	469	185 / 219	=	84.5%	85.0%	162 / 172	=
<b>Ramsey Cty Workforce Solutions</b>	\$1,891,358.58	589	1,151	517 / 671	=	77.0%	85.0%	552 / 617	=
<b>Rural MN CEP Inc</b>	\$1,576,236.00	214	467	198 / 215	=	92.1%	85.0%	125 / 134	=
<b>S Central Workforce Council</b>	\$810,377.00	154	313	138 / 148	=	93.2%	85.0%	146 / 159	=
<b>SE MN Workforce Development</b>	\$1,722,929.00	186	488	151 / 167	=	90.4%	85.0%	136 / 143	=
<b>Stearns/Benton E&amp;T</b>	\$842,265.00	174	342	119 / 132	=	90.2%	85.0%	117 / 130	=
<b>SW MN PIC Inc</b>	\$472,197.00	94	183	96 / 105	=	91.4%	85.0%	74 / 79	=
<b>Washington County</b>	\$932,493.00	179	316	141 / 150	=	94.0%	85.0%	156 / 160	=
<b>Winona Cty Workforce Council</b>	\$187,123.76	40	85	25 / 28	=	89.3%	85.0%	33 / 35	=
<b>**Arrowhead Economic Opportunity Agency</b>	\$44,207.00	1	47						
<b>**Goodwill/Easter Seals Minnesota</b>	\$173,068.53	28	39						
<b>**Jewish Family and Children's Services</b>	\$77,515.12	12	66						
<b>**Lutheran Social Services</b>	\$27,194.54	9	43						

\* Each year, the cost per job attained is markedly high in northern MN. This is due to the relatively sparse population and rural environment, creating unusual and prolonged challenges for job seekers.

\*\* Due to the timing for data turnaround for these new providers, performance outcomes are not yet available.

\*\*\* State funding expended is the total program funding expended and not simply an aggregate of provider spending costs (i.e. it includes admin costs and all spending associated with the program).

# MINNESOTA DISLOCATED WORKER PROGRAM — PERFORMANCE

## SFY 2014 PROVIDER PERFORMANCE

Retention Rate	Standard	Employed with credential / Exiters receiving training	=	Credential Rate	Standard	Total exiter earnings / Employed exiters	=	Average Earnings	Standard	Cost per Customer Served	Cost Per Employed Customer
92.5%	92.5%	1,376 / 2,025	=	68.0%	69.0%	\$97,034,879 / 4,366	=	\$22,225	\$20,000	\$2,258	\$5,001
93.3%	92.5%	81 / 98	=	82.7%	69.0%	\$6,589,423 / 285	=	\$23,121	\$22,681	\$1,868	\$2,729
94.3%	92.5%	122 / 166	=	73.5%	69.0%	\$12,974,061 / 358	=	\$36,240	\$22,681	\$2,176	\$3,906
95.0%	92.5%	167 / 231	=	72.3%	69.0%	\$5,577,152 / 302	=	\$18,467	\$14,298	\$3,768	\$8,945
84.2%	92.5%	15 / 20	=	75.0%	69.0%	\$393,288 / 21	=	\$18,728	\$16,634	\$2,100	\$8,263
92.3%	92.5%	95 / 164	=	57.9%	69.0%	\$7,883,181 / 357	=	\$22,082	\$22,681	\$1,473	\$3,026
89.9%	92.5%	17 / 23	=	55.1%	69.0%	\$2,379,115 / 94	=	\$25,310	\$22,681	\$1,308	\$3,528
90.3%	92.5%	128 / 178	=	71.9%	69.0%	\$14,421,633 / 662	=	\$21,785	\$22,681	\$1,450	\$2,919
93.9%	92.5%	19 / 29	=	65.5%	69.0%	\$6,105,023 / 228	=	\$26,776	\$22,681	\$983	\$1,303
95.2%	92.5%	96 / 151	=	63.6%	69.0%	\$7,460,092 / 236	=	\$31,611	\$22,681	\$1,607	\$4,395
91.1%	92.5%	48 / 85	=	56.5%	69.0%	\$2,773,292 / 144	=	\$19,259	\$22,681	\$2,479	\$4,432
93.5%	92.5%	46 / 53	=	86.8%	69.0%	\$1,126,605 / 72	=	\$15,647	\$14,845	\$3,408	*\$13,476
92.1%	92.5%	30 / 49	=	61.2%	69.0%	\$2,940,922 / 152	=	\$19,348	\$15,102	\$4,658	\$2,127
94.2%	92.5%	24 / 87	=	27.6%	69.0%	\$3,907,427 / 162	=	\$24,120	\$22,681	\$2,178	\$5,521
89.5%	92.5%	98 / 207	=	47.3%	69.0%	\$9,947,330 / 541	=	\$18,387	\$22,681	\$1,643	\$3,658
93.3%	92.5%	82 / 106	=	77.4%	69.0%	\$2,077,273 / 124	=	\$16,752	\$13,403	\$3,375	\$7,961
91.8%	92.5%	49 / 62	=	79.0%	69.0%	\$2,403,148 / 144	=	\$16,689	\$14,660	\$2,589	\$5,872
95.1%	92.5%	81 / 103	=	78.6%	69.0%	\$1,876,038 / 126	=	\$14,627	\$17,753	\$3,531	\$11,410
90.0%	92.5%	49 / 62	=	79.0%	69.0%	\$1,705,724 / 112	=	\$15,230	\$15,530	\$2,463	\$7,078
93.7%	92.5%	43 / 55	=	78.2%	69.0%	\$1,246,386 / 73	=	\$17,074	\$13,458	\$2,580	\$4,919
97.5%	92.5%	76 / 84	=	90.5%	69.0%	\$2,816,116 / 139	=	\$20,260	\$22,681	\$2,951	\$6,613
94.3%	92.5%	42,258	=	81.8%	69.0%	\$445,199 / 33	=	\$13,491	\$14,825	\$2,201	\$7,485

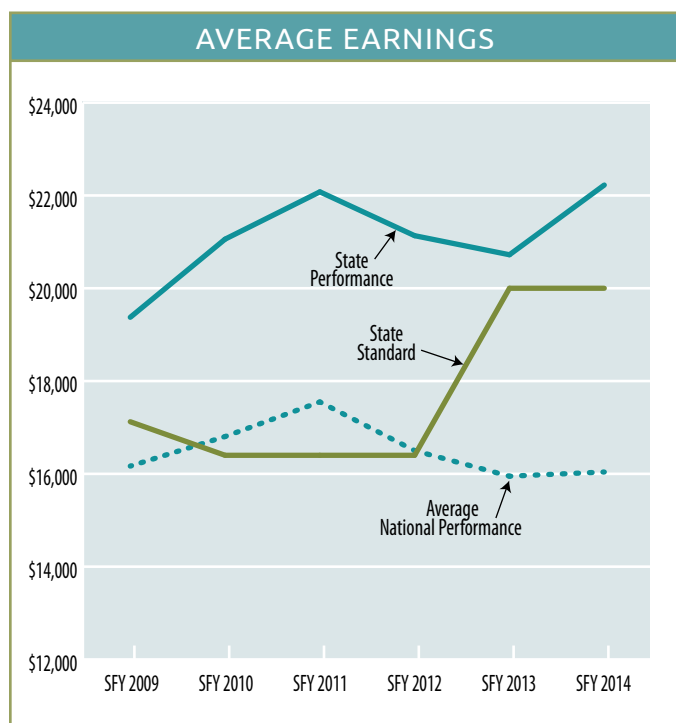
# MINNESOTA DISLOCATED WORKER PROGRAM — RESULTS AND ACCOMPLISHMENTS

## TRADE ADJUSTMENT ASSISTANCE

If a worker loses their job due to foreign trade they may be entitled to additional benefits under the federal Trade Adjustment Assistance (TAA) program. Individuals laid off from a TAA-certified work site may be eligible for a wider range of benefits, including additional training dollars. In Minnesota, every TAA customer is also enrolled in the DW program.

## NATIONAL EMERGENCY GRANTS

National Emergency Grants (NEGs) are additional funding provided by the United States Department of Labor (USDOL). The purpose of NEGs is to temporarily expand the service capacity of the DW program in response to natural disasters and large, unexpected economic events which cause significant job losses. In total, 654 customers were served through NEGs in SFY 2014, with \$2,024,211 expended in total.



## OUR RESULTS

- SFY 2014 Entered Employment Rate: 86.1 percent (goal 86.0 percent)
- SFY 2014 Employment Retention Rate: 92.5 percent (goal 92.5 percent)
- SFY 2014 Employment/Credential Rate: 68.0 percent (goal 69.0 percent)
- SFY 2014 Average Earnings Rate: \$22,225 (goal \$20,000)

Please also note: the national credential rate fell significantly in State Fiscal Year 2013. From what we understand, that decline isn't necessarily an issue of results but of data; many states moved to different data collection measures (referred to as Common, rather than the Legacy measures that Minnesota and some other states continue to use) and no longer collect credential data. We assume that the national drop reflects that lack of data.

The DW program measures success, in part, through four performance measures prescribed by the Workforce Investment Act (WIA). These measures are:

- Percent of customers who exit the program and **enter employment**;
- Percent of those who **retain that employment** for at least six months;
- **Average earnings** over six months for people who have exited the program into employment; and
- Percent of newly employed customers who also **obtain a credential**.



# MINNESOTA **DISLOCATED WORKER PROGRAM — RESULTS AND ACCOMPLISHMENTS**

## ACCOMPLISHMENTS 2014

- **Getting our customers good jobs.** The Dislocated Worker program met all established federal and state goals once more for helping our job seeker customers get and keep good, high-wage jobs. This record of accomplishment, which extends back at least nine years, is all the more remarkable given the annually rising bar that our state and local partners have continued to clear.
- **Rewarding high achievement where it matters most.** We implemented the nation's first performance-based grant awards system for independent non-profits in the Dislocated Worker program. Our independent non-profit service providers, some of whom have been outstanding partners for decades, are now demonstrating their excellence by competing for the largest capacity-building annual grants. These grants go to the organizations that do the best job at cost-effectiveness, six-month retention in employment, wage level, inclusion of minority job seekers, and inclusion of long-term unemployed.
- **Building the capacity of our career counselors.** Our highly skilled career counselors continue to get top-notch technical assistance. This past year, in addition to two high-quality training initiatives statewide, our state team began design of an even more assertive and proactive technical assistance effort that will focus on the quality of individualized employment plans for our job-seeker customers.
- **A new case management system, on time and under budget.** The Dislocated Worker program was a major partner in the rewrite of the Workforce One case management system. This rewrite was necessary to update the software platform used by this statewide system, which is used by thousands of career counselors across 17 different programs which serve hundreds of thousands of Minnesotans. The new system is easier to use, more secure, and faster for the type of program reporting that allows accountability for our taxpayer dollars invested. The new system launched right after the end of SFY 2014 — on time and under budget.

## SUCCESS STORY — Bill

At the end of the 2012–13 school year, I was informed that my job of 20 years at Cathedral High School as the dean of students and 7th, 8th and 9th grade counselor was cut. I was unemployed without any warning, and because I worked for the St. Cloud Diocese, I was ineligible for unemployment benefits. I was stunned.

I went to the St. Cloud WorkForce Center for assistance in my new job search. Linda Fischer, my case manager, allowed me to tell my story, helped reduce my shock and dismay, and then guided me in the process of finding another job. I was 61 at the time, and my hope for finding another job, much less a job in a school, was just about nonexistent.

Linda was an excellent advocate, resource and motivator. I qualified for the certificate program in school counseling at St. Cloud State University. I had three semesters of classes, practicums and an internship to complete. Linda helped me with the tuition; she found a laptop necessary for two practicum classes. I was hired as a co-teacher and school counselor with District 742 at McKinley Area Learning Center to develop a student support/mental health program, which we named FOCUS. I will receive my school counseling license next month.

Honestly, without Linda's assistance I do not believe I would be in the position that I am today. I will be forever grateful to her and the WorkForce Center for the counseling, training, financial assistance and overall support I received. I will refer people to the WorkForce Center whenever I have the opportunity.

—Bill Joyce

# MINNESOTA DISLOCATED WORKER PROGRAM — LOOKING AHEAD



## SUCCESS STORY — Susan

On November 8, 2013, I was laid off from my job in billing. I was taken aback at being unemployed again. I took all the usual steps, applied for

unemployment insurance and signed up for job search classes at the Anoka County WorkForce Center where I heard about the Dislocated Worker Program. I thought I would get a job quickly on my own. But as time passed I realized that was not going to be the case and enrolled in the program. I worked diligently on applying for jobs, following up with employers, updating my resume and even took a QuickBooks class to improve my marketability.

I was getting interviews but no job offers, and I was getting frustrated. I had the experience and qualifications, so what was the problem? I was too old, employers wanted someone younger. I did some deep thinking about changing occupations and focused on what I liked to do, not my age. That was the moment I realized that I was sending out the wrong attitude. I got rid of the negative thinking and concentrated on what I wanted to achieve. That did the trick.

I interviewed the next day with my new attitude and was offered the job. I am now employed at Fairview Health Services in Patient Financial Services and enjoying my new position. I owe it to my dislocated worker counselor, Kathy, who has always given me positive advice and reassured me that 'the right job at the right time will come along.' I thank her for all the good guidance and advice.

—Susan Mackedanz

## LOOKING AHEAD TO 2015

- **Integrating services for incumbent and dislocated workers.** The new Workforce Investment and Opportunities Act allows for federal Dislocated Worker dollars to go toward training incumbent workers, under specific circumstances. Training workers while they have a job in a good economy can both (a) help prevent future job loss and (b) allow for much less expensive training investments, since the current employer will often share in the costs. While our agency hopes to see the state and federal statute aligned soon, we will use at least federal dollars to ensure the most cost-effective use of taxpayer investments.
- **More proactive assistance for our counselors.** Our newly reformed technical assistance team will lead the third annual statewide career counselor training (which includes counselors from Dislocated Worker, Minnesota Family Investment Program, Veterans Employment, and several other adult eligibility-based programs), provide training on-site to new grantees and their staff, and generate a long-term plan for ensuring consistent, seamless, high-quality service to job seeking customers across all workforce development programs.
- **Increase our community outreach to minority job seekers, and those with disabilities.** While the Dislocated Worker program has served minority job seekers in approximate proportion to their representation in the Minnesota workforce, we know that we can do more to ensure that Minnesota's growing economy lifts up the career prospects and incomes of many more minorities and individuals with disabilities. We have hired specific staff and are developing specific strategies to address these issues; these staff are embedded in the state's Rapid Response team to ensure direct and immediate impact on the Dislocated Worker and related programs.

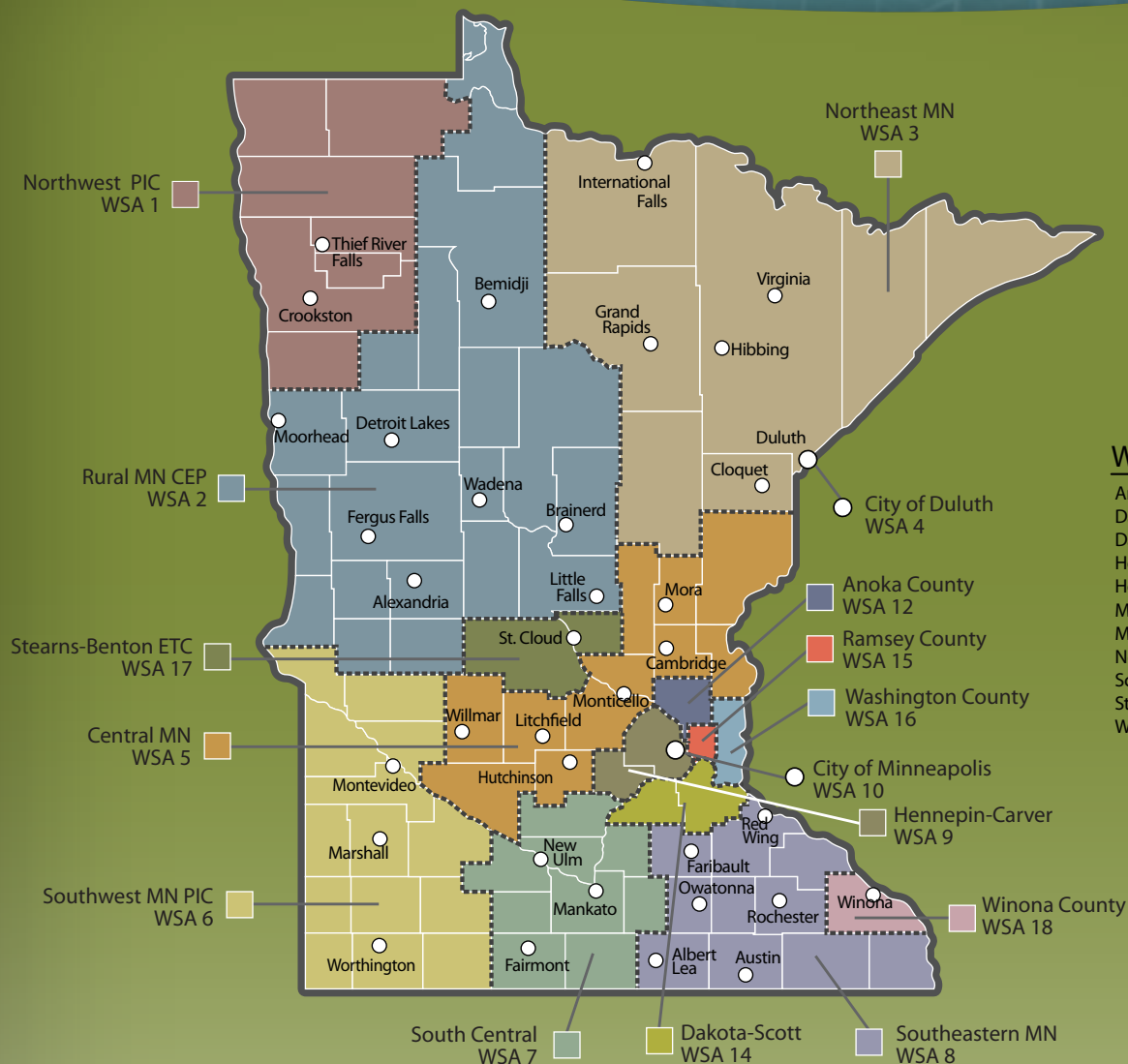
# MINNESOTA **DISLOCATED WORKER PROGRAM —** **PERFORMANCE NOTES**

MINNESOTA DISLOCATED WORKER PROGRAM COST BENEFIT ANALYSIS: THE PAST FIVE YEARS							
State Fiscal Year	Program Funding Expended	Customers Served	=	Funding Cost per Customer Served	Number of Individuals Exiting into Employment	=	Funding Cost per Employed Customer
2014	\$24,352,158	10,783	=	\$2,258	4,869	=	\$5,001
2013	\$24,654,893	12,643	=	\$1,950	4,809	=	\$5,127
2012	\$20,294,743	13,639	=	\$1,488	5,847	=	\$3,471
2011	\$28,072,581	17,006	=	\$1,651	6,451	=	\$4,352
2010	\$29,420,000	20,507	=	\$1,435	4,497	=	\$6,542
2009	\$30,821,000	16,350	=	\$1,885	4,911	=	\$6,276
<b>Total</b>	<b>\$157,615,375</b>	<b>90,928</b>	<b>=</b>	<b>\$1,778</b>	<b>31,384</b>	<b>=</b>	<b>\$5,128</b>

Each year, Minnesota negotiates performance goals with the USDOL for the federal DW program in each of four areas: entrance into employment, employment retention, credential attainment and average earnings. The Minnesota DW program uses these same goals. In SFY 2014, these performance goals held steady after significant increases in the state standards in SFY 2013, except in employment retention, where the state standard was raised again in 2014 (up to 92.5 percent from 90.0 percent in 2013). Despite these rigorous standards, in 2014, the Minnesota DW program met or exceeded three out of four performance goals and fell just short of the fourth (credential attainment). With an entering employment standard of 86.0 percent, MN DW particularly improved, from falling short in 2013 (84.7 percent) to meeting the goal (86.1 percent). In employment retention, MN DW met the newly-increased goal of 92.5 percent. In 2014, MN DW exceeded its earnings goal by a wider margin than in 2013, performing at \$22,225 (over a goal of \$20,000 and a 2013 performance of \$20,722). Even for the one measure where MN DW did not quite meet its goal on percentage of employed customers who also obtain a credential, performance continued to increase (68.0 percent up from 67.6 percent in 2013), and the state is closing in on its 69.0 percent goal. Even in credentialing, Minnesota well exceeds the national average (50.7 percent). We have witnessed an encouraging positive trend in state credentialing rates over time, which may be due in part to improved credential tracking within our customer tracking system, Workforce One. Program staff will continue to improve credential tracking. It is also important to note that that credential rates are not an explicitly delineated DOL common measures requirement, resulting in self-selection by states who wish to report their credential rates.

From a historical perspective, the Minnesota DW program has maintained similar levels of past performance in employment retention, and the entered employment rate has increased in the past year. The credential rate has also continued to increase since 2009, with a particularly significant increase occurring between 2012 and 2013. The earnings figures are reversing a trend, with a strong increase in SFY 2014 over 2013 after a decrease in SFY 2013. SFY 2014's earnings figures are the highest in more than five years.

From a comparative perspective, the Minnesota DW program continues to exceed national averages in every area by significant margins. Overall, the Minnesota DW program takes pride in its solid historical and comparative performance, but always strives to improve.



**FOR QUESTIONS REGARDING THIS REPORT,  
OR TO RECEIVE A COPY IN AN ALTERNATIVE FORMAT:**

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[mn.gov/deed/dw](http://mn.gov/deed/dw)

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